



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2021-22 and FY2022-23 Proposed Budget

**Board of Supervisors
Budget and Appropriations Committee
March 3, 2021**



HSH Mission and Values

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HSH Mission

Strive to make homelessness **rare, brief** and **one-time** through the provision of **coordinated, compassionate** and **high-quality** services.

HSH Values

Compassion. Courage. Common-Sense. Equity.

<http://hsh.sfgov.org>



Budget Hearing: Core Principles

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- **Center racial equity** in the Department and Homelessness Response System
- Commitment to **Integrity** and **Public Service**
- **COVID-19 Response** and **Rebuilding a Better City**
- **Innovation** and **Impact**



FY2021-23 Budget Development

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• **January 22nd Local Homeless Coordinating Board (LHCB) Presentation**

- Two-Year Citywide Budget Projections and Mayor's Budget Instructions
- Major Themes and HSH Priorities for two-year budget

• **February 8th LHCB Presentation**

- Overview of Department's Proposed Two-Year Budget
- Changes in FY21-23 Budget
- Ongoing Initiatives and Proposals

• **Stakeholder Budget Input Sessions**

- Meetings with Provider Networks (HESPA, SHPN, HSN)
- Special Meeting with HSH Provider Leadership
- HSH Strategic Framework Advisory Committee
- San Francisco Youth Commission



FY2021-23 Budget Priorities and Major Changes

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• Focus Areas:

- Maintain funding for **core services** while bringing new programs to scale
- Implement HSH's **Racial Equity Action Plan** and develop Homelessness Response System racial equity plan in collaboration with people experiencing homelessness and community stakeholders
- Implement the **Mayor's Homelessness Recovery Plan** and ongoing COVID-19 response
- Provide recommendations for **Our City, Our Home** investments
- Prioritize **infrastructure** and **capacity** needs



Budget Development: March-May 2021

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• Funding Needs for HSH's Part of the COVID-19 Response:

- Funding for the **emergency response** including Shelter-in-Place hotels and Safe Sleeping sites

• Our City, Our Home (OCOH) Budget Investments: (Pending OCOH Committee recommendations)

- Recommend **strategic investment priorities** for Prop C funds to meet HSH's 5-year goals to reduce homelessness across populations.

• Ongoing Planning for Strategic Investments

- Implementation of HSH's \$147 million share of **2020 Health & Recovery G.O. bond**
- **CalAIM** planning with DPH and San Francisco Health Plan
- All Home's Regional Homelessness Prevention Workgroup and development **coordinated homelessness prevention strategies**



Proposed FY2021-23 Budget Overview

(\$ in millions)	Adopted FY20-21 Budget	Proposed* FY 21-22 Budget	Change From FY20	Proposed* FY22-23 Budget	Change From FY21
Total Budget	\$852.1	\$578.5	(\$273.6)	\$575.3	(\$3.3)
<i>Revenue</i>	\$615.6	\$354.2	(\$261.4)	\$345.2	(\$9.0)
<i>General Fund Support</i>	\$236.6	\$224.4	(\$12.2)	\$230.1	\$5.7

* as of 2/22/2021 End of Department Phase



Year-Over-Year Revenue Changes

FY20-21 Budgeted Revenue Source	FY21-22 Increase/ (Decrease)
FEMA Revenue	(\$141,545,928)
State Project Homekey Appropriation	(\$45,000,000)
Prop C Homelessness Gross Receipts Tax Revenue	(\$39,415,125)
Whole Person Care (MediCal Waiver)	(\$9,886,855)
One-time State funds	(\$23,963,638)
Interdepartmental Work Order Recoveries and Other Funds	(\$1,569,342)
Total Year-over-Year Change	(\$261,380,888)



FY21-23 Ongoing General Fund Investments

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• **Maintains Current Service Levels and Expansions Funded in FY20-22**

• **902 Units of New Permanent Supportive Housing Units**

- 145-unit building for chronically homeless adults
- 757 units of MOHCD supported supportive housing for adults and older adults, TAY and families

• **Emergency Shelter and Shelter Investments**

- Ongoing funding for Buena Vista Horace Mann Family Shelter (\$800k)
- Funding for a new Safe Parking site (\$1.0 m)
- Funding to replace the First Friendship Family Shelter program
- Support for increased LGBTQ adult shelter capacity (\$400k)
- DPH shelter health services to support shelter expansion systemwide (\$1.0 m)

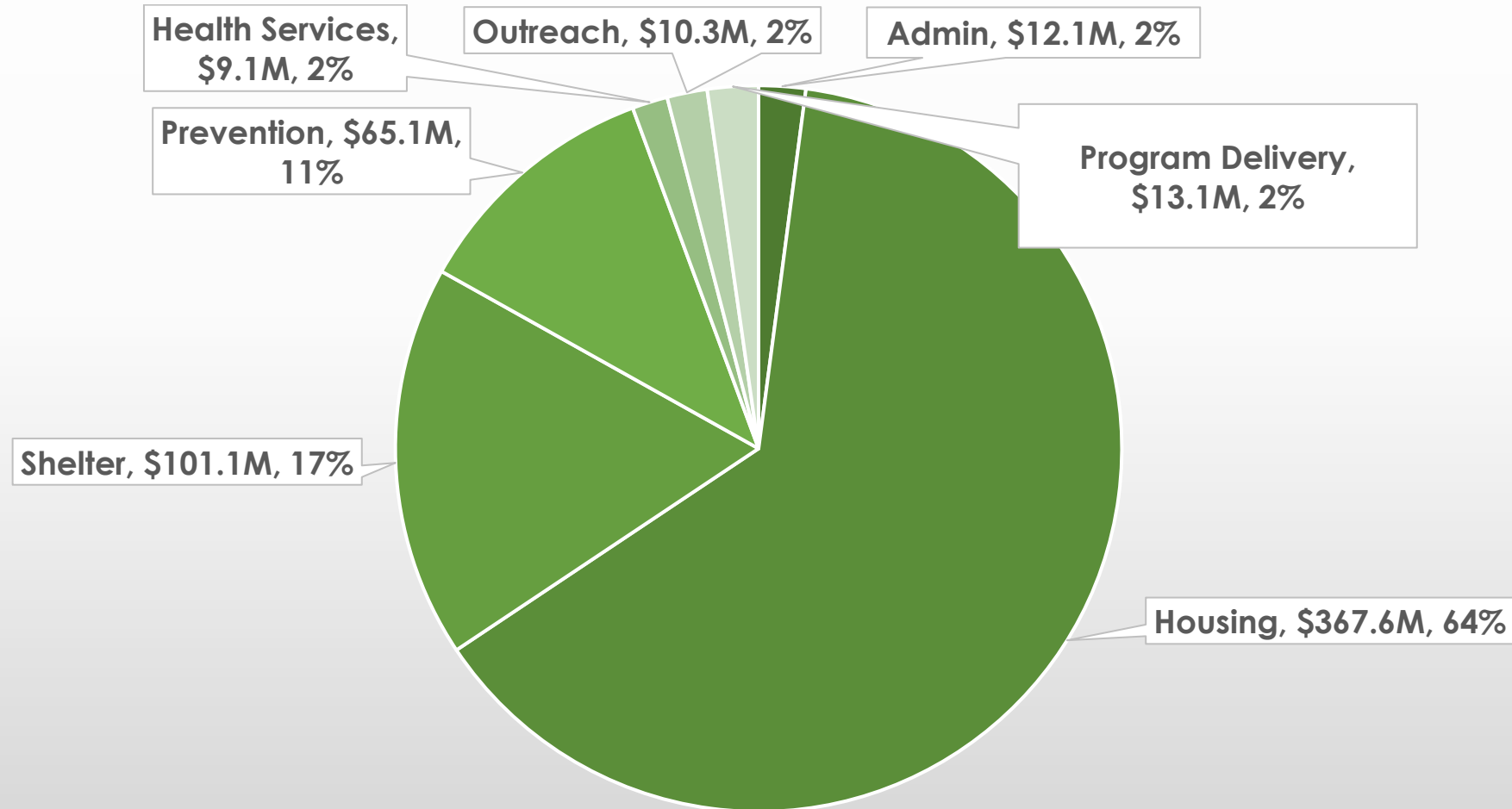
• **Flexible Pool Housing Subsidies Increases**

- \$2.3 million for housing subsidies for families and TAY (\$425k increase for families in FY21-22)



Proposed Budget by Service Area FY21-22 (\$578.5 M)

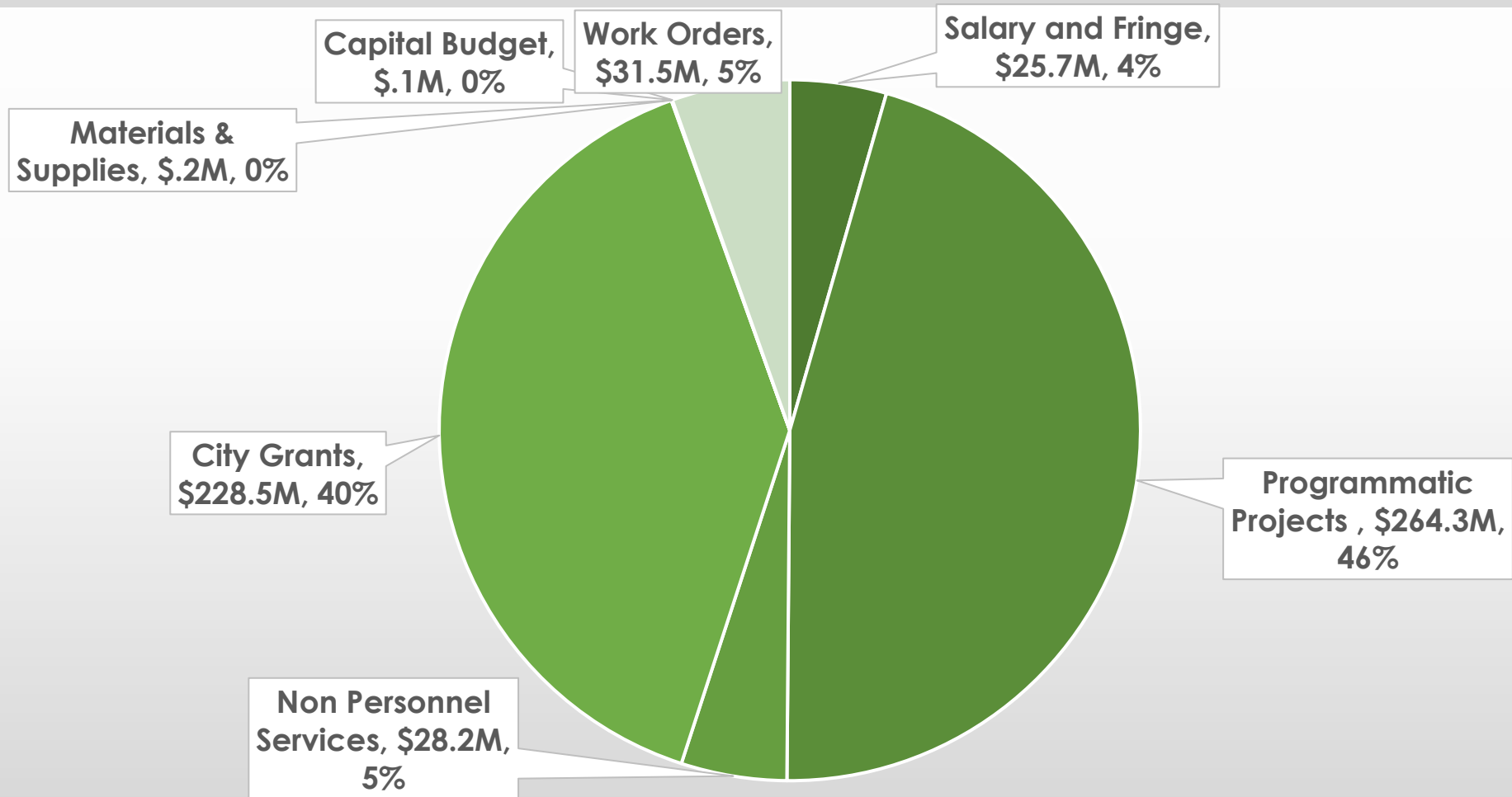
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Proposed Budget by Expenditure Type FY21-22 (\$578.5 M)

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FY21-23 Position Summary & Staffing Gaps

	Adopted FY20-21 Budget	Dept Phase FY21-22 Budget	Change from FY20-21	Dept Phase FY22-23 Budget
Full-Time Equivalents (FTE)	164.2	167.2	3.0	166.6

HSH has critical staffing shortage since doubling its annual budget

Staffing needs include:

- Housing and Housing Subsidy program support (historic expansion in portfolio)
- Prevention, Safe Sleeping and Vehicle Triage program coordinators
- Budget, accounting and contracts
- Data analytics and mandated reporting
- Public information request coordinator



FY21-23 Capital and COIT Budget Requests

Capital Planning Committee Budget Requests:

- Shelter Seismic Retrofit Study (\$330k)
- Funding to find a Family Shelter Replacement site (\$100k)

Committee on Information Technology Requests:

- Approval for Grants Management System to replace CARBON system

\$ in millions

Project Name	\$
MSC South Adult Shelter, 525 5 th Street	6.5
Next Door Adult Shelter, 1001 Polk Street	4.2
Hamilton Family Shelter, 260 Golden Gate Avenue	9.8
Total	+20.5M
Funded by 2016 PHS Bond (Phase 1)	(7.0)M
Remaining Need (Phase 2)	+13.5M



FY21-23 Revenue Proposal: DPH Partnership for Whole Person Care and CalAIM Funding

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- State extended Whole Person Care (MediCal waiver pilot) funding through December 2021 (\$11 m)
- CalAIM builds upon existing MediCal waiver programs with focus on managed health care plan
- Significant work remains for the state, counties and MediCal manage care plans on the details of the CalAIM proposal and funding levels:
 - CalAIM's In Lieu of Services
 - Continuing HSH's housing navigation, tenant stabilization, coordinated entry and care coordination funding



Proposed Balancing Plan

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	FY21-22	FY22-23	Two-Year Total
Budget Instructions			
7.5% General Fund Reduction	\$ (15,200,395)	\$ (15,200,395)	\$ (30,400,790)
2.5% Contingency	\$ (5,660,789)	\$ (5,660,789)	\$ (11,321,578)
HSH Proposal to Meet Reduction Target			
Revenue	10,713,576	6,300,000	17,013,576
Federal & State Grants	27,000,000	0	27,000,000
ERAF Savings	1,780,000	1,780,000	3,560,000
Lease & Other Increases	\$ (2,925,604)	\$ (2,925,604)	\$ (5,851,208)
Net Balancing - Above/(Below) Target	\$ 15,706,788	\$ (15,706,788)	\$ (0)



FY21-23 Budget Requests

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- \$3.5 million gap for Safe Parking program: \$1.5 m shortfall to operate site 40-50 space site and \$2 m shortfall to construct site
- \$6 million annual gap to cap PSH rent payments at more than 30% of tenant income (one-time \$1.2 m addback expires FY23)
- Nonprofit pay equity – ongoing funding: (\$10.1 million one-time COVID-19 equity bonus pay funded by one-time Prop C funds)
- \$5.5 million of enhancements for shelter, housing and service programs



Our City, Our Home Fund Overview

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(\$ in Millions)

	<u>FY20-21 Adopted Budget</u>	<u>FY 21-22 Base Budget</u>	<u>FY 22-23 Base Budget</u>
Housing			
General	108.3	93.7	93.7
Families	49.2	42.6	42.6
Under 30	<u>39.4</u>	<u>34.1</u>	<u>34.1</u>
	\$196.8	\$170.4	\$170.4
Prevention	\$59.0	\$51.2	\$51.2
Shelter	<u>\$39.4</u>	<u>\$34.1</u>	<u>\$34.1</u>
Total	\$295.2	\$255.7	\$255.7



Prop C Funds Released from Reserve in Current Fiscal Year

Projects (\$ in Millions)

Housing

FY20-21

General

18.0

PSH Service and Operating - \$1.6M, Housing Subsidies - \$3.5M
Flex Pool - \$5.8M, Work Force Assistance - \$1.2M, COVID Bonus Pay- \$5.8M

Families

0.8

Flex Pool - \$0.4M, Bonus Pay - \$0.5M

Under 30

1.2

Rapid Rehousing - \$0.7M, Flex Pool - \$0.4M, COVID Bonus Pay - \$0.2M

20.0

Prevention

3.4

Problem Solving - \$2.1M, COVID Bonus Pay - \$1.3M

Shelter

25.9

COVID Emergency Shelter - \$5.9M, COVID Safe Sleep - \$5.0M, COVID SIP
Hotel - \$12.7M, COVID Bonus Pay - \$2.3M

49.3



Conclusion

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Thank you for your time and continued support to make homelessness rare, brief and one-time.

<http://hsh.sfgov.org>